

Message Text

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ACTION SS-25

INFO OCT-01 ISO-00 SSO-00 NSCE-00 /026 W

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O 281430Z DEC 74

FM AMEMBASSY PARIS

TO SECSTATE WASHDC IMMEDIATE 5464

C O N F I D E N T I A L SECTION 01 OF 02 PARIS 31075

EXDIS

E.O. 11652:

TAGS: ENRG, FR

SUBJECT: FRENCH POSITION ON U.S. FACILITY PROPOSAL

REF: STATE 281780

1. IN THE ABSENCE OF BRUNET, DIRECTOR OF ECONOMIC AFFAIRS MFA, E/COM/MIN CALLED ON NANTEUIL, BRUNET'S DEPUTY FOR MULTILATERAL AFFAIRS ON LATE AFTERNOON DECEMBER 27 TO INFORM HIM OF STABLER'S CONVERSATION WITH FRENCH CHARGE AND TO ASK HIS VIEWS.

2. NANTEUIL SAID FRENCH CHARGE'S REPORT OF HIS CONVERSATION WITH STABLER HAD NOT YET BEEN RECEIVED. HOWEVER, HAVING BEEN INFORMED IN ADVANCE BY E/COM/MIN OF SUBJECT OF CALL, HE WAS WELL PREPARED TO DISCUSS THE MATTER. HE FIRMLY CHALLENGED OUR IMPLICATION THAT THE HEALEY-WITTEVEEN PLAN HAD NOT BEEN DISCUSSED AT MARTINIQUE. HE SAID IT MIGHT NOT HAVE BEEN DISCUSSED BY THE TWO PRESIDENTS BUT IT WAS CERTAINLY DISCUSSED BY FINANCE MINISTER FOURCADE AND SECRETARY SIMON. HE THEN ALLOWED E/COM/MIN TO READ A DETAILED REPORT OF THE FOURCADE-SIMON DISCUSSION OF RECYCLING WHICH HAD BEEN PREPARED BY BRUNET, WHO WAS PRESENT AT THE DISCUSSION AND TOOK NOTES.

3. ACCORDING TO BRUNET'S ACCOUNT, FOURCADE SAID THAT THE ROLE OF THE IMF IN RECYCLING MUST BE STRENGTHENED
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AND THE RECYCLING OF OIL CAPITAL BY THE IMF MUST BE

SUBSTANTIAL. SIMON REPORTEDLY REPLIED THAT HE WAS IN GENERAL AGREEMENT. FOURCADE WENT ON TO SAY THAT RECYCLING MUST ALSO BE CARRIED OUT THROUGH THE PLANNED EC BORROWING AND THE US "SAFETY NET" PROPOSAL. SIMON SPOKE IN FAVOR OF THE U.S. PLAN. HE SAID THERE WAS ALSO ROOM FOR THE IMF BUT EXPRESSED RESERVATIONS ON THE HEALEY-WITTEVEEN PLAN. FOURCADE SAID HE WAS NOT HOSTILE TO A RECYCLING FACILITY SET UP IN THE OECD AS PROPOSED BY THE US BUT HE SAID IT MUST CO-EXIST WITH THE IMF. HE THOUGHT DIFFERENCES BETWEEN THE US AND FRENCH ON THIS QUESTION WERE MINOR. HE NOTED THAT THE US HAD BEEN IN FAVOR OF THE ORIGINAL WITTEVEEN PROPOSAL (MARK I). WHY DID WE NOT FAVOR MARK II? BENNETT SAID CIRCUMSTANCES HAD CHANGED. FOURCADE SAID WE SHOULD AGREE TO DISAGREE ON THE WITTEVEEN-HEALEY PLAN.

4. NANTEUIL THEN DENIED THAT THE GOF HAD TAKEN A DIFFERENT POSITION IN BRIEFING THE EC NINE THAN IT HAD TAKEN AT MARTINIQUE. HE SAID THAT IN BRIEFING ITS PARTNERS FRANCE HAD SAID THAT IT WAS FAVORABLY DISPOSED TO BOTH THE HEALEY-WITTEVEEN PLAN AND THE US "SAFETY NET" PROPOSAL. BRUNET'S NOTES CLEARLY SHOWED THAT THE FRENCH DELEGATION HAD TAKEN THIS POSITION AT MARTINIQUE, HE SAID, AND THEREFORE THE FRENCH BRIEFING OF THEIR EC PARTNERS WAS A FAIR AND ACCURATE EXPRESSION OF THE FRENCH POSITION AT MARTINIQUE.

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5. COMMENT: WE WONDER IF THE REPORTS THE DEPARTMENT RECEIVED CONCERNING THE FRENCH BRIEFING OF THE EC NINE MAY NOT HAVE INADVERTANTLY DISTORTED WHAT THE FRENCH ACTUALLY SAID IN THE BRIEFING. IT SO HAPPENS THAT WE HAVE A VIRTUALLY VERBATIM RECORD OF THE GUIDANCE SENT OUT BY BRUNET TO THE FRENCH AMBASSADORS ON THIS PART OF THE MARTINIQUE MEETING (PARIS 30441 OF DECEMBER 19). BRUNET, WHO DRAFTED THIS GUIDANCE, ALSO, BY HIS OWN ACCOUNT TO E/COM/MIN, BRIEFED THE AMBASSADORS OF FRANCE'S 8 EC PARTNERS IN PARIS. CONSEQUENTLY, WE CAN SAFELY REGARD THE ACCOUNT IN PARIS 30441 AS AN ACCURATE VERSION OF THE GOF BRIEFING OF THE EC NINE.

6. PARA 3 OF PARIS 30441 STATES THAT "FRANCE BOTH WISHES INCREASED COOPERATION OF INDUSTRIAL COUNTRIES WITHIN THE IMF TO DEAL WITH THE RECYCLING PROBLEM AND ALSO FAVORS CAREFUL STUDY WITHIN THE GROUP OF TEN OF THE PROPOSALS BY SECRETARIES KISSINGER AND SIMON FOR CREATION OF A SPECIAL \$25 BILLION FACILITY AND A TRUST FUND FOR AIDING DEVELOPING COUNTRIES."

7. ASSUMING BRUNET'S NOTES ARE A RELIABLE ACCOUNT OF THE CONVERSATIONS BETWEEN FOURCADE AND SIMON, THE LINE FRANCE HAS TAKEN IN BRIEFING ITS PARTNERS WOULD APPEAR TO BE A REASONABLY FAITHFUL ACCOUNT OF THE POSITION THE FRENCH DELEGATION HAD TAKEN AT MARTINIQUE.
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